2008-05046/

FRESHWATER FISH MARKETING CORPORATION

SECOND QUARTER REPORT

August 1, 2007 - October 31, 2007

SUMMARY *(numbers in thousands)*

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
TOTAL SALES	**$ 14,438**	**$ 15,938**	**$ 29,240**	**$ 28,287**
NET INCOME	$ 2,838	$ 1,693	$ 3,565	$ 2,061
INITIAL PAYMENTS TO FISHERS*	**$ 10,249**	**$ 11,007**	**$ 21,969**	**$ 22,196**
ROUND EQUIVALENT KGS				
Pickerel	2,352	2,378	5,512	5,360
Sauger	27	56	64	121
Whitefish	1,667	1,911	2,816	3,349
Northern Pike	611	582	871	811
Mullet	489	505	749	841
Other	328	425	557	835
TOTAL WEIGHT	**5,474**	**5,857**	**10,569**	**11,317**

* Delivery Point, net freight

** NOTE: Reporting in Round Equivalent Kilograms to be consistent with Annual Report

** All figures are preliminary until audited at the Corporation's fiscal year-end of April 30

PERFORMANCE HIGHLIGHTS

Although second quarter sales fell behind the previous year by $1.5 million, they exceeded the budget by $429,000 (3.1%) and net income was higher by almost $1.1 million at $2.8 million. These results capped a strong first half in which both sales and income are well ahead of previous year's levels. The strong results can be attributed to stronger market prices for most species and a higher percentage of pickerel in the product mix. Challenges for the second half of the fiscal year are the continuing shortage of inventory, especially whitefish, and a Canadian dollar that appears to be stabilizing at par with the US dollar.

Earlier this year, FFMC began selling by-products formerly disposed as waste to a pet food producer in Alberta. This business generated almost $100,000 in revenue in the second quarter.

Noteworthy Items from the Second Quarter:

- The Board held its First Quarter Review in August 2007.
- President J. Wood attended a Crown corporation governance conference in Ottawa and the Fisheries Council of Canada conference in Vancouver.
- FFMC held the first meeting of its Whitefish Advisory Panel at the end of October.
- The Vice-President Operations, Plant Manager, and Production Engineering Analyst visited 9 fish processing plants and 3 equipment manufacturers in Iceland to research equipment options for processing operations.
- The Corporation participated in the National Seafood Sector Council Board of Directors meeting and Annual General Meeting in Halifax.
- Senior management and Directors met with Manitoba Commercial Inland Fishers Federation re regional processing at the end of October.

MANITOBA

(numbers in thousands)

- Initial payments to Manitoba fishers in the second quarter were down 6% from last year, due to an overall 5% decline in deliveries
- Pickerel deliveries were the same, while sauger deliveries were only half of last year's Q2. Due to an exceptional Q1, pickerel deliveries YTD are 4% higher than last year's.
- Northern pike deliveries again showed a year-over-year increase of 9% for Q2 and mullet deliveries were up by a modest 1%
- Deliveries of whitefish declined by 18% compared to last year's Q2 and roe deliveries were down disproportionately by 15 tonnes or 38%

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	**$ 9,018**	**$ 9,581**	**$ 19,921**	**$ 19,621**
ROUND EQUIVALENT KGS				
Pickerel	2,240	2,245	5,350	5,158
Sauger	23	58	64	123
Whitefish	875	1,071	1,273	1,488
Northern Pike	555	512	774	638
Mullet	457	452	676	756
Other	154	194	305	472
TOTAL WEIGHT	**4,310**	**4,530**	**8,442**	**8,693**

* Delivery Point, net freight

SASKATCHEWAN

(numbers in thousands)

- Initial payments in Q2 showed a 15% drop compared to last year
- This was due to reduced deliveries of every species, with Q2 deliveries 18% below last year's total levels
- Pickerel deliveries declined by 9%, whitefish by 24%, northern pike by 37%, mullet by 30%
- Lake trout deliveries, included in "Other", were down about 30% from Q2 last year
- Reduced deliveries were mostly due to poor performance in the two major summer fisheries: Wollaston Lake and Reindeer Lake

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	**$ 658**	**$ 770**	**$ 919**	**$ 1,183**
ROUND EQUIVALENT KGS				
Pickerel	106	117	122	140
Sauger	0	0	0	0
Whitefish	296	331	529	699
Northern Pike	33	93	67	178
Mullet	33	52	71	84
Other	120	172	191	278
TOTAL WEIGHT	**594**	**723**	**980**	**1,273**

* Delivery Point, net freight

ALBERTA

(numbers in thousands)

- Initial payments for Q2 were up a little (2%) compared to Q2 last year
- Some Lesser Slave Lake whitefish quota was shifted from the spring to the fall fishery
- As a result, whitefish deliveries increased 10% and whitefish roe deliveries were up 14% from last year
- Both pickerel and northern pike deliveries increased from last year's levels in Q2

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	**$ 444**	**$ 434**	**$ 740**	**$ 823**
ROUND EQUIVALENT KGS				
Pickerel	2	0	28	34
Sauger	0	0	0	0
Whitefish	395	359	710	734
Northern Pike	10	5	13	13
Mullet	0	0	0	0
Other	33	29	34	33
TOTAL WEIGHT	**440**	**393**	**783**	**814**

* Delivery Point, net freight

NORTHWEST TERRITORIES

(numbers in thousands)

- Initial payments and total deliveries for Q2 declined by 41% and 39% respectively compared to last year
- While most of the decline was in whitefish, deliveries of pickerel and northern pike were down significantly as well
- Participation in the fishery continued to decline, with no compensating increase in fishing effort among the remaining fishers

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	**$ 126**	**$ 214**	**$ 378**	**$ 548**
ROUND EQUIVALENT KGS				
Pickerel	4	16	11	28
Sauger	0	0	0	0
Whitefish	100	150	304	424
Northern Pike	1	1	1	1
Mullet	0	0	0	0
Other	19	36	40	69
TOTAL WEIGHT	**124**	**203**	**356**	**520**

* Delivery Point, net freight

NORTHWESTERN ONTARIO

(numbers in thousands)

- There was no significant fishing activity during Q2
- A small amount of northern pike was delivered

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	**$ 3**	**$ 6**	**$ 9**	**$ 20**
ROUND EQUIVALENT KGS				
Pickerel	0	0	0	0
Sauger	0	0	0	0
Whitefish	0	0	2	5
Northern Pike	3	7	5	10
Mullet	0	0	0	1
Other	0	0	1	1
TOTAL WEIGHT	**3**	**7**	**8**	**17**

* Delivery Point, net freight

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